



MEDIA RELEASE

October 5, 2011

For immediate release

RBA REPORT IS ON THE MONEY: INVEST IN TRANSPORT TO LOWER HOUSE PRICES

New research released today by the Reserve Bank of Australia backs up the need for solid investment in transport infrastructure in NSW, a leading industry group says.

The Urban Development Institute of Australia NSW says the research discussion paper, *Urban Structure and Housing Prices: Some Evidence from Australian Cities*, also supports industry calls for a less rigid zoning system close to the Sydney CBD.

The research highlighted the importance of transport infrastructure, with cities that have better transport systems making it easier and more affordable for people to live in larger homes further from the city.

However rigid zoning limits on new housing built in close to CBDs pushed more people into outlying suburbs, increasing city footprints and causing house prices to rise if there was no efficient transport system in place.

UDIA NSW Chief Executive Stephen Albin said research, which showed the growth of national housing stock was at a 50-year low, demonstrated why developers were shying away from investing in new housing developments due to inefficient, overly complex planning regulations and historically poor investment in Sydney's public transport infrastructure.

The O'Farrell Government's commitment to improving transport infrastructure and to a rewrite of the state's planning laws were two crucial requirements to boosting Sydney's supply of new housing to 40,000 a year and therefore making homes more affordable.

"This RBA research finally provides the empirical evidence to support what the development industry knows and the Government has acknowledged," Mr Albin said.

"The Government has got to invest in transport. Via the planning rewrite, it has got to act to stop the friction between development and communities."

"If you invest in transport and get the regulations right, you'll see the city become more efficient year by year."

"Without that investment and changes to planning regulations, you'll see the continuing deterioration of our urban environment and housing prices will continue to rise."

For an interview with UDIA NSW Chief Executive Stephen Albin, please call UDIA NSW Media and Communications Manager Kara Lawrence on (02) 9262 1253 or 0403 871 123.